

Press release

Egypt sets goal of surpassing US\$1.1 billion in information technology export revenues by 2010

U.S. - Egyptian business relations at an all time high; more than a dozen companies from across the globe have now set up offices in Egypt - focused around technology and research and development

Washington, DC, June 24, 2009 — The strength of the relations between the U.S. and Egypt on a business level has never been better, and Egypt is primed to increase the volume of its IT/ITES exports to US\$1.1 billion by 2010.

This was the message communicated by His Excellency Dr. Tarek Kamel, Egyptian Minister of Communications & Information Technology at a special luncheon hosted by the U.S. Chamber of Commerce, the Business Council for International Understanding (BCIU), and the American Chamber of Commerce in Egypt (AmCham Egypt), in Washington, DC. Also attending this luncheon were Mr. Aneesh Chopra, U.S. Chief Technology Officer, White House Office of Science and Technology Policy and Mr. Richard Patterson, Vice President of Global Delivery, IBM.

During the visit to New York and Washington, DC, Dr. Kamel and Information Technology Industry Development Agency (ITIDA) officials met with senior business executives from top Fortune 100 companies like Board Chairman and CEO of IBM Corp. Samuel J. Palmisano to discuss new business, technology innovation and future opportunities to collaborate in Egypt.

Egypt has been highly aggressive over the past decade in delivering on major infrastructure, bandwidth, educational and telecommunications projects to drive increased interest in companies looking to establish major global service delivery centers in the country.

"Egypt is now at the new crossroads for next stage in the IT revolution," said Dr. Kamel. "With a long history of innovation, we are a young, energetic country with a population that grew up in the technology world, so we've keyed some of the specific goals as a nation around technology -- being a hub for innovation and research, cyber security and cross-border collaboration."

Egypt is located on the paths of most optical cables linking Africa and Asia with Europe and North America. Egypt has also developed fiber connectivity with its neighbors, which makes it a prime location for transient traffic to the region. With the only direct connection from the Indian Ocean to the Mediterranean Sea, Egypt is also strategically positioned to be a manufacturing, logistics and distribution hub for Europe and the Middle East.

"Many people do not realize that we are a multi-stakeholder country - English, French, German, Spanish, Italian, Portuguese, Dutch and Arabic are all common languages that are currently serviced out of Egypt. So many companies across Europe and the Middle East come to Egypt and are very comfortable with the language, culture and communications," Dr. Kamel continued.

A.T. Kearney recently positioned Egypt as sixth on its 2009 Global Services Location Index, an improvement of seven ranks from 2007. Cairo was also ranked in the seventh position amongst top 50 emerging outsourcing cities across the globe in a study prepared by Global Services - Tholons. Currently,



companies such as Microsoft, Vodafone, Teleperformance, Wipro, SQS, Valeo, and Alcatel all have offices in Egypt's Smart Village, a 600-acre technology business park in Cairo. In May of this year, Delta Rasmala relocated its own Egypt headquarters to Smart Village.

"Global IT and telecommunications companies find that our Egyptian market provides real opportunity and advantages for investment including competitive operational costs, political stability, and highly qualified human resources," Dr. Kamel stated.

Egypt continues to make progress in combating software piracy as highlighted by its reduced software piracy rating in the sixth annual Business Software Alliance (BSA), IDC Global Software Piracy Study. The report sees Egypt's 2008 rating drop a further one percent on the previous year, with levels reducing to 59 percent, and a total fall of 10 percent since 2003. This is the fifth consecutive year that Egypt's piracy rates have fallen and these rates are well below other countries such as Morocco, the Philippines, and Bulgaria.

Egypt is primed for business growth driven by tax, customs and financial sector reforms. Egypt was named as leading global economic reformer by the World Bank in its 'Doing Business 2007' report.

Earlier this month, Cisco and ITIDA announced that Cisco was going to be adding a brand new customer service and support center in Egypt as a means to serve its customers in Europe, the Middle East and Africa, with employees that could communicate in seven different languages.

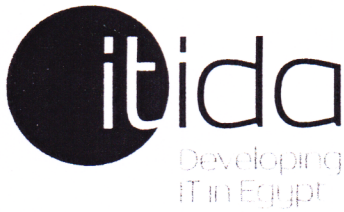
"Egypt is now, more than ever, at the crossroads of where technology, culture, innovation and business meet. Through the appropriate legal and regulatory

reforms which can accommodate deregulation and development of the telecommunications sector, the government of Egypt has helped put laws in place around e-commerce, intellectual property and investment to help incoming companies truly maximize their profitability," said Dr. Kamel. "New tax and customs reforms were implemented by the government, according to which the highest personal tax rate was cut from 32 percent to 20 percent and the corporate tax rate cut went from 42 percent to 20 percent."

"Much of Egypt is now connected by main roads, power generation has improved considerably and Egypt is enjoying a remarkable talent pool as investing in human capital is part and parcel of the government's plan," Dr. Kamel continued. "Egypt's human resources have always been one of its greatest assets, with its almost 330,000 college graduates yearly - 31,000 alone focused on engineering or science - enjoying excellent multilingual capabilities."

Egyptian leadership is also focused on collaborating with companies to advance the penetration of the Internet in Egypt and to get the nation on the forefront of technological developments, while at the same time focused on protecting and supporting its youth in using the Internet as a means of creativity and innovation.

"The dreams of our generations are great and so are the challenges, stretching hands of cooperation and collaboration is the only way to envisage a better world. It is high time to put differences and discrimination aside, to bridge all the gaps by exchanging expertise with openness and maturity needed to push the technology forward, build on what was achieved and innovate for the future. As change is the wave of the age, innovation and creation is the future, and our role is to secure it for the coming generations."



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About MCIT:

For more information about the Egyptian Ministry of Communications and Information Technology go to: www.mcit.gov.eg

About ITIDA:

The Information Technology Industry Development Agency (ITIDA) is a governmental entity affiliated to Egypt's Ministry of Communications and Information Technology. It is responsible for growing and developing Egypt's position as a leading global outsourcing location by attracting foreign direct investment to the industry and maximizing the exports of IT services and applications.

Located in the heart of the modern business environment at Smart Village, the six hundred acre business park on the outskirts of Cairo, ITIDA is a self sustainable entity that drives the IT industry in Egypt and raises awareness among the Egyptian people of the benefits and use of ICT to advance socio-economic welfare of the whole community.